

MINUTES  
NORTHEAST OHIO REGIONAL SEWER DISTRICT  
BOARD OF TRUSTEES MEETING  
SEPTEMBER 15, 2016

A Regular Meeting of the Board of Trustees of the Northeast Ohio Regional Sewer District was called to order at 12:30 p.m. by Darnell Brown.

I. Roll Call

PRESENT: D. Brown  
R. Sulik  
W. O'Malley  
J. Bacci  
T. DeGeeter  
S. Dumas  
R. Stefanik

The Secretary informed the President that a quorum was in attendance.

II. Approval of Minutes

**MOTION** – Mayor Bacci moved and Mr. Sulik seconded to approve the minutes of the August 18, 2016, Board Meeting. Without objection, the motion carried unanimously.

III. Public Session

There were no items.

IV. Chief Executive Officer's Report

CEO Ciaccia began his report with a brief financial update and indicated that at the 67% point of the year the District is at 67.9% for the year in terms of revenues. Operating expenses are at 54.8% of the operating budget. Cash for the year is up 9.3%.

Collections from the Cleveland Water Department is a 95% rate which is an acceptable rate. Accounts receivables continue to be a problem and staff has had dialog with them and is performing analysis as to whether their numbers might be inflated.

Staff had a meeting with the Suburban Council of Governments Subcommittee regarding the Member Community Infrastructure Program.

CEO Ciaccia advised that Contract Compliance won this year's Greater Cleveland Partnership Supplier Diversity Award and entered the Hall of Fame after winning three times.

Mr. Sulik stated that personnel benefits seem low in terms of percentage. CFO Demmerle explained that's staff budgets personnel for a full 2,080 hours and there are savings when people are on disability. Staff also budgeted for the maximum payout for claims, which has been lower than projected.

V. Action Items

Authorization to Issue Request for Proposals (RFPs)

Resolution No. 251-16 RFPs for the 2017 Watershed Partners Service Agreement Program.

**MOTION** – Mayor Stefanik moved and Mr. O'Malley seconded to adopt Resolution No. 251-16. After discussion and without objection, the motion carried unanimously.

Authorization to Adopt & Issue Request for Proposals (RFPs)

Resolution No. 252-16 Authorization to Adopt Member Community Infrastructure Program and to Issue Request for Proposals for 2017.

**MOTION** – Mayor Bacci moved and Mr. Sulik seconded to adopt Resolution No. 252-16. After discussion and without objection, the motion carried unanimously.

Frank Greenland, Director of Watershed Programs, stated that he wanted to focus on policy and the request for proposals. Project Clean Lake encompasses around \$3 billion in combined sewer overflow (CSO) work and there are similar needs in local communities. Problems include sanitary sewer overflows, illicit discharges and the fact that the District treats ample stormwater at treatment plants. These problems impact customers and the District within the collection system and treatment plants, and there is no cohesive solution to deal with them.

Human health and environmental water quality problems this program will focus on include sanitary sewer overflows, septic systems, common trench sewers in which both sanitary and storm lines are in the same trench, illicit discharges and inflow & infiltration.

Discussion regarding the program initiated in December 2014 under the topic of Integrated Planning and the Clean Water Act opportunities around integrated planning, and gets into water quality human health issues in determining how to position CSO and local needs.

Mr. Greenland explained that in 2015 the District sent the policy to member communities for a 60-day comment period. Staff met with the SCOG four times and learned through discussions with mayors that it was necessary to perform sewer system evaluation studies (SSES) to help identify and prioritize projects. Such SSES studies are underway.

District staff wanted to identify problems and solutions for communities and establish a funding

stream to help communities fund needed projects.

The first SSES study was the Heights Hilltop area. The studies will lead to the development of a prioritized list of projects that will be provided to the community to assist getting projects for funding. Potential SSES findings may also help guide community discharge permit efforts to correct sanitary sewer overflows and high levels of inflow and infiltration.

The SSES next studies will be the combined sewer and Mill Creek service area, then the Southwest Interceptor area. By 2018 staff will have covered the entire service area. District staff agreed to a five-year rate schedule on levels of funding to support local projects that address water quality issues or human health problems. The schedule will be \$5 million beginning in 2017 and increasing to \$12 million by 2021.

Mr. Greenland explained the potential exists for a community operating lease whereby a community would lease an asset to the District to make improvements which would revert to the community to maintain. CEO Ciaccia indicated that approach would the District to capitalize the costs because any project that does not utilize this methodology would be paid from operating revenues.

James Bunsey, Director of Engineering & Construction, advised that there may be projects that benefit the District and the region in terms of sewer overflows, basement flooding, streams and public health, and staff wants to fund projects that eliminate these problems across the service area. He continued to state that the Board had been provided with the policy and procedures for scoring projects. The minimum match requirement is 25%, except for communities in fiscal distress. Upon Board approval staff would release the request for proposals tomorrow with proposals due on October 31.

Mr. Brown hoped that the scoring criteria would be disseminated as part of the instruction to communities applying for project funding and to provide feedback to those who are ultimately not selected to improve their future chances. Mr. Greenland indicated that such guidance would be provided and staff has done similar things with Green Infrastructure grants.

#### Authorization to Grant Credit

Resolution No. 253-16

Grant Sewer Account Credit to Fitness Group Investments for Water Not Returned to the Sewer System as a Result of an Underground Water Leak. Credit Amount: \$33,403.87.

**MOTION** – Mayor DeGeeter moved and Mayor Stefanik seconded to adopt Resolution No. 253-16. After discussion and without objection, the motion carried unanimously.

#### Authorization to Enter Into Agreement

Resolution No. 254-16

Two Year Agreement with Tenable Protective Services to Provide Security Services for the East 140<sup>th</sup> Street Consolidation and Relief Sewer Project. Cost: \$1,000,000.00.

**MOTION** – Mayor Bacci moved and Ms. Dumas seconded to adopt Resolution No. 254-16. After discussion and without objection, the motion carried unanimously.

CEO Ciaccia noted that the item under consideration is not to exceed two years. The issue at hand revolves around employee safety at this project which is taking place in an area that borders Cleveland and East Cleveland.

The contractor is tasked in its contract with supplying security for the worksite, but the situation calls for additional security. Local police departments are unable to provide additional security so District staff contacted Tenable Protective Services.

Mr. Bunsey explained that this is intended as an as-needed task contract which would supply three individuals initially who would be active when District personnel, consultants and inspectors are on site. One full shift would cover 10 to 12 work sites concurrently.

Mr. Brown inquired whether staff considered cameras in terms of vandalism. Mr. Bunsey explained that Tenable has developed a variety of options including cameras and community block watches but they have a comprehensive view and this authorization would continue negotiations and develop the scope.

Mr. Brown stated that it is unusual to take this extreme measure. CEO Ciaccia advised that a lot of internal discussion lead to this because they have not experienced challenges to this level before.

Mr. Bunsey explained that there have been physical confrontations, a gun holdup in a McDonald's parking lot and a questionable mass underneath blankets with an extreme smell in the area. He clarified that any action with Tenable would be for physical safety of people and not the contractor's assets.

Eric Luckage, Chief Legal Officer & General Counsel, stated that staff thought they needed to take reasonable steps to protect staff and consultants in the area, and this contract is not to secure the construction sites or equipment. Ms. Dumas stated that it is worth the investment if it prevents one person from being hurt or killed.

Authorization to Enter Into Contract

Resolution No. 255-16

Enter Into Any Necessary Contracts to Participate in Joint Purchasing Programs. Cost: \$0.00.

Resolution No. 256-16 Five Year Contract with ComDoc to Provide Print Management Services to All District Facilities. Contract Amount: \$1,001,000.00.

Resolution No. 257-16 Three, Six-Month Contracts for Snow Plowing Services with Civil Construction Service, Pirc Company Landscaping and Robins Nest Landscape. Contract Amount: Civil Construction Service \$22,785.00, Pirc Company Landscaping \$12,225.00 and Robins Nest Landscape \$30,613.20.

Resolution No. 258-16 Three Year Contract with ESRI, Inc. for Software Licensing and Support for GIS Application Software. Contract Amount: \$515,000.00.

Resolution No. 259-16 Contract with Application Software Technology Corporation for the Oracle Taleo Cloud Implementation Services Project. Contract Amount: \$184,580.00.

**MOTION** – Mayor Stefanik moved and Mr. O’Malley seconded to adopt Resolution Nos. 255-16 through 259-16. After discussion and without objection, the motion carried unanimously.

Property-Related Transaction

Resolution No. 260-16 Authorize the Acquisition of One Permanent and One Temporary Easement Necessary for the Construction of the East 140<sup>th</sup> Street Consolidation and Relief Sewer Project. Total Consideration: \$5,200.00.

Resolution No. 261-16 Authorize One Fee Simple Acquisition and One Temporary Easement in the City of Cleveland Necessary for Construction of the Superior Pump Station Project. Total Consideration: \$301,000.00.

Resolution No. 262-16 Authorizing Additional Monies for Property Acquisition in the City of Cleveland, as a Result of Mediation of the Court, Necessary for the Construction and Maintenance of the East 140<sup>th</sup> Street Consolidation and Relief Sewer Project. Settlement Amount: An Increase in the Amount of \$4,000.00 Bringing the Total Settlement Amount to \$22,000.00.

- Resolution No. 263-16 Authorize the Appropriation of One Permanent and One Temporary Easement Necessary for the Construction of the East 140<sup>th</sup> Street Consolidation and Relief Sewer Project. Total Consideration: \$11,100.00.
- Resolution No. 264-16 Authorize the Acquisition of One Temporary Easement in the City of Cleveland Necessary for the Construction of the Superior Pump Station Project. Total Consideration: \$20,900.00.
- Resolution No. 265-16 Authorize the Acquisition of One Permanent Easement and Two Temporary Easements in the City of Cleveland Necessary for Construction of the East 140<sup>th</sup> Street Consolidation and Relief Sewer Project. Total Consideration: \$12,560.00.
- Resolution No. 266-16 Authorize One Fee Simple Acquisition in the City of Cleveland Necessary for Construction of the Dugway South Relief and Consolidation Sewer Project. Total Consideration: \$28,000.00.

**MOTION** – Mr. Sulik moved and Mayor DeGeeter seconded to adopt Resolution Nos. 260-16 through 266-16. After discussion and without objection, the motion carried unanimously.

Sewer Use Code Matters

- Resolution No. 267-16 Adopting the Findings of the Hearing Examiner with Regard to the Sewer Account of Joyce Lekan, Sewer District Case No. 16-001.
- Resolution No. 268-16 Adopting the Findings of the Hearing Examiner with Regard to the Sewer Account of Victoria Broer, Sewer District Case No. 16-006.
- Resolution No. 269-16 Adopting the Findings of the Hearing Examiner with Regard to the Sewer Account of Yiou Li, Sewer District Case No. 16-007.

**MOTION** – Mr. O'Malley moved and Mayor Bacci seconded to adopt Resolution Nos. 267-16 through 269-16. After discussion and without objection, the motions carried unanimously.

VI. Information Items

1. Business Opportunity Program Update

Tiffany Jordan, Contract Compliance Manager, stated that Business Opportunity Program goals are set on a project-by-project basis. Factors include scope of work, dollar amount, project duration and availability of subcontractors.

The Business Opportunity worksheet allows Engineering & Construction to set goals on projects. Subcontracting opportunities include landscaping, trucking and ready-mix concrete. The percentage of work helps determine the percentage placed on the contract with the availability of certified firms. Currently there are 472 certified firms in the District's database.

Ms. Jordan moved to data for construction projects from 2013 through 2015. Project goals may be set slightly above or below 20%.

In 2013, 4 out of 17 projects did not meet the goal while 11 projects exceeded them. In 2014 all projects met the goal and 5 exceeded. In 2015, 5 out of 16 projects missed the goal. Ms. Jordan explained that a very high goal often means a program-certified subcontractor was the prime contractor on the job.

Construction projects had Small Business Enterprise (SBE) participation of 30%, Minority-Owned Business Enterprise (MBE) participation of 43% or \$45 million, and Woman-Owned Business Enterprise (WBE) participation of 27% or \$27 million.

Moving to cash flow, Ms. Jordan advised that the overall program goal was between 18% and 20% and currently average 25%.

Ms. Jordan explained that modifications to the Business Opportunity Program included removing unnecessary bonding in goods and services, relaxing insurance requirements for smaller firms, allowing certified firms to self-perform and increasing size standards in some areas. Staff wanted as many engineering firms into the program as possible. They also increased the geographic area to the Metropolitan statistical area and removed the personal net worth gap.

## 2. Program Management Status Report & Update, August 2016

Mr. Bunsey advised that cash flow has increased 2% per month for the last three months and may continue to the end of the year barring substantial changes in weather. Staff should attain 80% or more with the goal at 85%.

Mr. Bunsey indicated that the District has a goal of four milestones to accomplish this year in terms of awarding two stormwater and two SSES studies. The third was awarded in August and the stormwater master plan will likely be awarded this year.

Staff attained Goal Number 7 of 11 by submitting the 6-month report to the Environmental Protection Agency (EPA) on the CSO Program and issued the Notice to Proceed for the Stone Superior CSO Improvements Project which affects control measures 9, 10 and 11. Only two milestones remain for the year.

The Southerly First Stage Aeration Project met its Key Performance Indicator (KPI) as being within a week of schedule in terms of design completion.

The Westerly Wet Weather Facilities Improvements Project was completed two weeks in advance of the scheduled date for finishing design. Staff accrued \$1.59 million of value engineering savings on the Southerly First Stage Aeration Return Sledge Improvements, which was a rehabilitation project consisting of right-sizing large equipment for current and future operation.

The East 140th Street Consolidation and Relief Sewer Project was awarded within the 10% and 6.5% lower than the engineer's estimate when averaging the three lowest bids. Staff awarded the project within the 60-day window at 53 days.

The Stone Superior CSO Improvements Project did not meet the engineer's estimate KPI, as the average of the three lowest bids were 12% lower. This project was also not awarded within the 60-day window which is directly attributable the footprint of the construction being located inside the no-construction zone during the Republican National Convention.

The Easterly Chemical Storage Fee Facility Project closed out within the KPI of 92.9% of contract value and Business Opportunity Program participation of 24.7%.

The amount of work orders as a percentage of construction was very low at 2.9%. The Euclid Creek Project closed out at 92.9%, meeting the KPI within 95%, and Business Opportunity Program participation was 25.8%.

The Southerly First Stage Improvements Project is 60% complete and \$4.4 million behind where expected. The project has made progress from \$5.9 million behind the two months ago but staff still sees this project three to four months behind schedule.

Mr. Bunsey stated that the Dugway Storage Tunnel had issues with the Shaft 1 of excavation that delayed the job and cash flow. Shaft 1 is past the risk in soil excavation.

Residents and councilmen are concerned about underground blasting. Staff utilizes three seismic monitors and a limit of 50% of the industry standard, which is very conservative. The readings were significantly lower than the limit or non-detectable. The site is large and the monitors were positioned closest to the shaft on the property line.

Mr. Brown stated that action makes the assumption that anything outside of that area would not be impacted by residents. Mr. Bunsey affirmed and explained that many times people feel air pressure waves when there is movement through rock, but it is not destructive.

The Tunnel Dewatering Pump Station contractor agreed that they are behind schedule and cash flow and will not meet the substantial completion date. They submitted a non-compensable delay which District staff does not agree with entirely and will be brought to the Board at the next meeting.



Mr. Brown asked who the contractor is, to which Mr. Bunsey replied Walsh Atkinson, Joint Venture. The substantial completion date would be the end of 2016 which would leave two months of work.

Lita Laven, Project Manager of the Heights Hilltop Interceptor SSES, advised that a critical piece of the Member Community Infrastructure Program is the SSES. These studies will identify local problems in communities and the service area and provide recommendations to alleviate them. These studies will also look at impacts to District infrastructure and support District programs.

The study area located in the Heights Hilltop interceptor area includes 15 communities. The Heights Hilltop study was chosen first because there are many known local community problems, including sanitary sewer overflows and local sewer system capacity issues. This system is predominately common trench and very leaky, which means there are a lot of stormwater drain rain events that go into the sanitary sewers through infiltration inflows. This causes a lot of basement backups and other problems.

The study is \$10.5 million, began earlier this year and is expected to take two years to complete.

The main tasks with the study are to develop a strategy, target the areas with the most problems and develop communication protocols with member communities and customers. Currently staff is collecting field data by conducting inspections on the system. Staff will extend the existing model into the local sewer system and conduct capacity evaluations to see where problems occur and develop recommendations. The findings will be documented and recommendations such as capital improvement projects will be recommended.

Ms. Laven stated that these projects can be implemented by the community itself or they can apply for funding through the Member Community Infrastructure Program. Other recommendations include maintenance activities and potential policy updates. Staff has been coordinating heavily with member communities and notifying customers of pending work. We're looking to explore testing on private property because there are sources there.

Sanitary sewer overflows are part of the District's Community Discharge Permit Program where communities are responsible for these structures. Staff was not sure of the status of the structures so the study will confirm the current status.

The next study is the Mill Creek combined SSES study and the remaining two will begin in a couple years. The Heights study will inform the other studies by sharing protocols and procedures.

Ms. Laven stated that the studies embody the District's mission by identifying environmental concerns regarding water quality and human health. District staff will assist member communities and customers by providing them with tools so they know where problems exist and cost-effective recommended solutions.

Mr. Brown stated that data collection may validate longstanding projects and identify new parameters and service impacts. The goal should to make sure it turns from project identification to mitigation.

VII. Open Session

There were no items.

VIII. Public Session (any subject matter)

There were no items.

IX. Executive Session

**MOTION** – Mayor Bacci moved to go into Executive Session pursuant to Ohio Revised Code Section 121.22(G)(3) to consult with the district's legal counsel concerning disputes involving the district that are subject pending court action. After discussion and without objection, the motion carried unanimously.


The Board met in Executive Session from 1:33 p.m. to 1:48 p.m.


X. Approval of Items from Executive Session

There were no items.

IX. Adjournment

**MOTION** – Mr. Brown stated business having been concluded, he would entertain a motion to adjourn. Mr. Sulik moved and Mr. O'Malley seconded the motion to adjourn at 1:48 p.m. Without objection, the motion carried unanimously.

  
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Walter O'Malley, Secretary  
Board of Trustees  
Northeast Ohio Regional Sewer District

  
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Darnell Brown, President  
Board of Trustees  
Northeast Ohio Regional Sewer District